

Financial Report

(January 1 ~ December 31, 2023)

February 14, 2024

- **2023 Annual Financial Results Summary**
 - Changes in Scope of Consolidation, Affiliated Companies
 - Financial Results Summary

- **2024 Annual Financial Results Forecast**
 - Financial Results Forecast Summary
 - Capex, Depreciation, Tire Production Capacity etc.
 - Shareholder Returns




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Changes in Scope of Consolidation

Consolidated Subsidiaries **97**
(vs 2022 year-end : (2))

Equity-method Affiliates **3**
(vs 2022 year-end : -)

	Newly Included +1	Excluded (3)	Newly Included -	Excluded -
Tires 	4x4 Tyres Limited (U.K./Sales)	Chengdu D Guard Automotive Service Co., LTd. Dunlop Tire Trading (Dalian) Co.,Ltd. (China/Sales)		
Sports 				
Industrial & Other 		Sumigomu Takasago Integrate, Ltd. (Japan/Sales)		

	Manufacturing Companies		Sales Companies		Other Companies		
Tires 	Domestic	1	Domestic	11	Domestic	7	
	Overseas	8	Overseas	31	Overseas	6	
		Asia Pacific	4	Asia Pacific	9	Asia Pacific	2
		Europe and Africa	2	Europe and Africa	19	Europe and Africa	2
		Americas	2	Americas	3	Americas	2
Sports 	Domestic	1	Domestic	1	Domestic	3	
	Overseas	3	Overseas	12	Overseas	7	
		Thailand, U.S., Philippines		Malaysia, U.K., Canada, Australia, China, Hong Kong, South Africa, South Korea, Thailand, France, Germany		U.K.	
Industrial & Other 	Domestic	1	Domestic	2	Domestic	-	
	Overseas	5	Overseas	1	Overseas	-	
		Malaysia, China, Vietnam, Switzerland, Slovenia		Hong Kong		-	

Total 100
 Domestic 27
 Overseas 73

Financial Results

- Profit level is rapidly getting better (**business profit(%): 6.6%**). Business profit has reached record high in the second half of the year (**60.6 B of yen**).
- Tire sales revenue has exceeded **1.0 trillion of yen** for the first time since our establishment.
- XXIO13 sales started strong, sports business profit has reached record high (**12.5 B of yen**).
- Free cash flows have exceeded **100.0 B of yen** for the first time.

Structural Reforms

- As a first step in structural reforms, we decided to withdraw Gas Hoses Business (Oct. 2023).
- Decided to sell subsidiaries involved in the manufacture and sale of rubber parts for medical applications (Dec.2023).

Laying the groundwork for growth lines of business

- **ACTIVE TREAD Technology** ~Rubber to fit all road~
First showing of the concept tire at the JAPAN MOBILITY SHOW 2023
- **SENSING CORE** ~SENSING CORE Technology to detect hazards in advance~
Investment in Viaduct, a US-based AI-powered connected vehicle analytics company,
Strengthening strategic partnership



Consolidated Financial Results (2023 Jan.-Dec.)



Billions of Yen

	Actual 2023	Actual 2022	YOY	Nov. 10 th 2023 Forecast 2023	Actual 2021
Sales Revenue	1,177.4	1,098.7	107%	1,180.0	936.0
Business Profit (%) *1,5	77.7 6.6%	22.0 2.0%	354%	63.0 5.3%	52.0 5.6%
Operating Profit (%) *5	64.5 5.5%	15.0 1.4%	430%	46.0 3.9%	49.2 5.3%
Profit *2,5	37.0	9.4	393%	29.0	29.5
ROIC *3	5.7%	1.7%		4.6%	4.6%
ROE	6.3%	1.8%		5.0%	6.2%
ROA *4	6.2%	1.9%		5.1%	5.0%
D/E Ratio	0.5	0.7		0.6	0.6

2023 Forecast	Feb.14 th	May 15 th	Aug. 7 th	Nov. 10 th
Sales Revenue	1,200.0	1,160.0	1,170.0	1,180.0
Business Profit	35.0	44.0	50.0	63.0
Operating Profit	30.0	34.5	41.0	46.0
Profit	18.0	21.0	23.0	29.0

- *1. Business Profit : Sales Revenue – (COS + SGA)
- *2. Profit : Profit attributable to owners of parent
- *3. ROIC : Net Business Profit After Tax / Invested Capital
- *4. ROA : Business Profit / Total Assets
- *5. Accounting adjustments have been applied since 2nd quarter, 2022, as pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies”.

The above notes apply throughout this report.

Consolidated Financial Results by Quarter



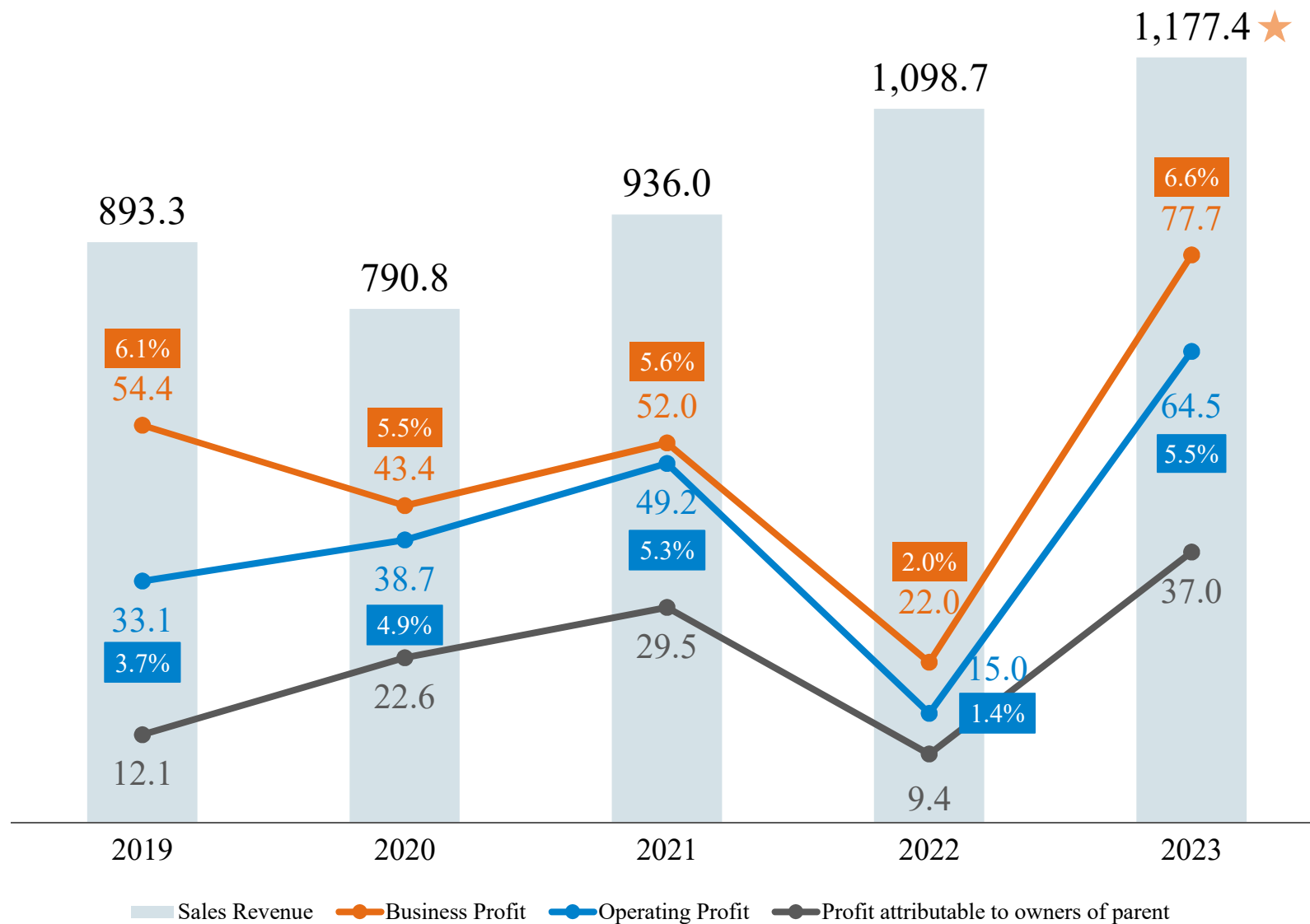
Billions of Yen

	2023 Jan.-Mar.	vs 2022	2023 Apr.-Jun.	vs 2022	2023 Jul.-Sep.	vs 2022	2023 Oct.-Dec.	vs 2022	Actual 2023	vs 2022
Sales Revenue	276.8	110% +26.3	284.4	109% +22.8	289.5	107% +20.1	326.7	103% +9.5	1,177.4	107% +78.7
Business Profit (%)	8.0 2.9%	54% (6.8)	9.1 3.2%	- +9.7	24.9 8.6%	- +26.7	35.7 10.9%	372% +26.1	77.7 6.6%	354% +55.7
Operating Profit (%)	7.8 2.8%	55% (6.4)	9.0 3.2%	- +10.6	24.6 8.5%	- +27.4	23.0 7.1%	447% +17.9	64.5 5.5%	430% +49.5
Profit	4.0	34% (7.7)	4.2	77% (1.2)	19.0	- +21.8	9.8	- +14.8	37.0	393% +27.6

Consolidated Sales Revenue / Profit (Jan.-Dec.)



Billions of Yen % : Profit Ratio ★ : Record High



Consolidated Sales Revenue / Business Profit by Reportable Segment (2023 Jan.-Dec.)



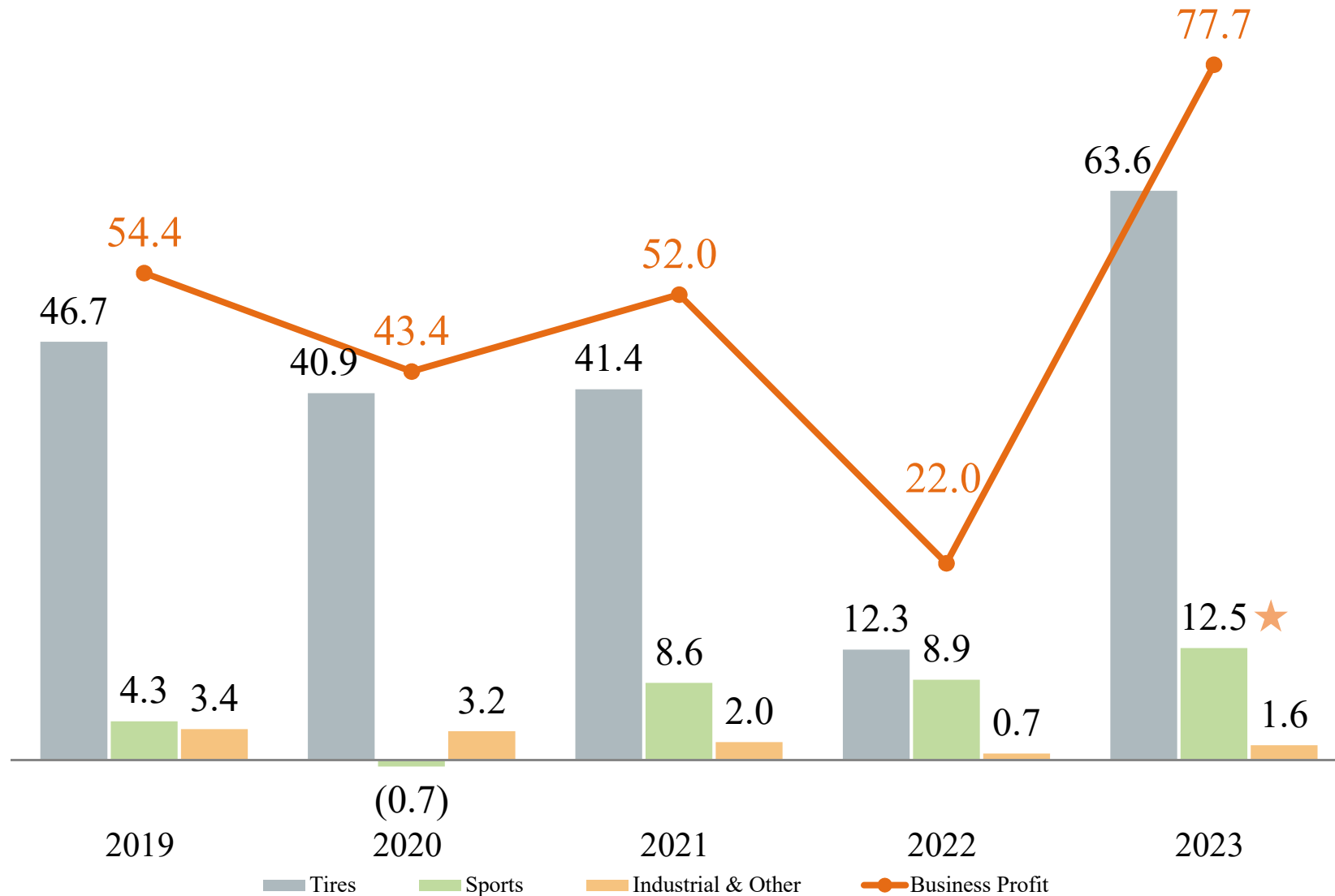
Billions of Yen

		2023 Jan.-Sep.	vs 2022	2023 Oct.-Dec.	vs 2022	Actual 2023	vs 2022	Actual 2022
Sales Revenue	Tires	720.6	109%	285.8	103%	1,006.4	107%	939.9
	Sports	97.3	108%	29.4	110%	126.6	109%	116.6
	Industrial & Other	32.9	108%	11.5	97%	44.4	105%	42.1
	Total	850.7	109%	326.7	103%	1,177.4	107%	1,098.7
Business Profit	Tires	31.9	935%	31.7	356%	63.6	516%	12.3
	Sports	8.9	108%	3.6	523%	12.5	140%	8.9
	Industrial & Other	1.2	170%	0.4	-	1.6	228%	0.7
	Total	42.0	339%	35.7	372%	77.7	354%	22.0

Consolidated Business Profit by Reportable Segment (Jan.-Dec.)



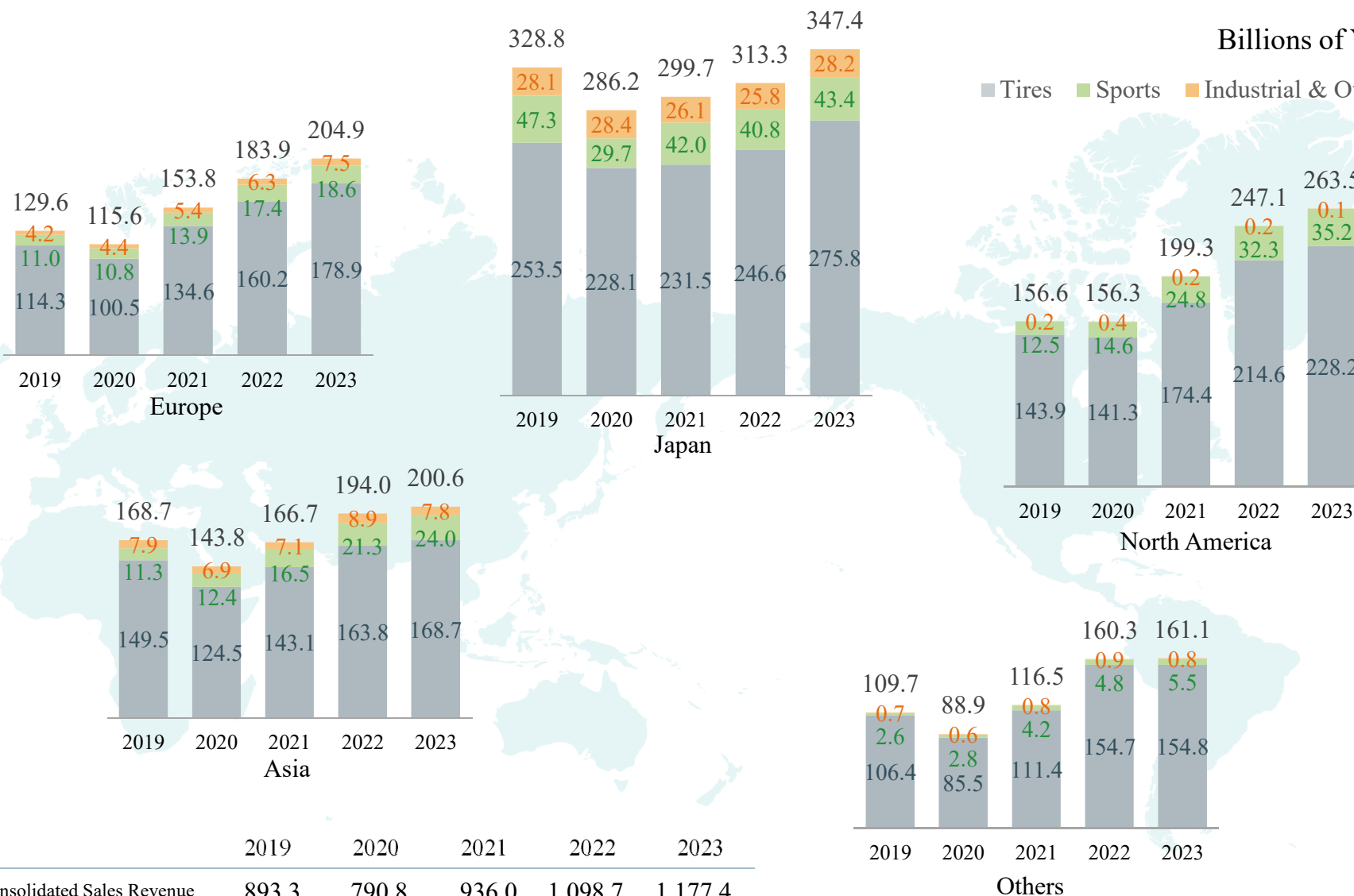
Billions of Yen ★: Record High



Sales Revenue by Destination (Jan.-Dec.)

Billions of Yen

■ Tires ■ Sports ■ Industrial & Other

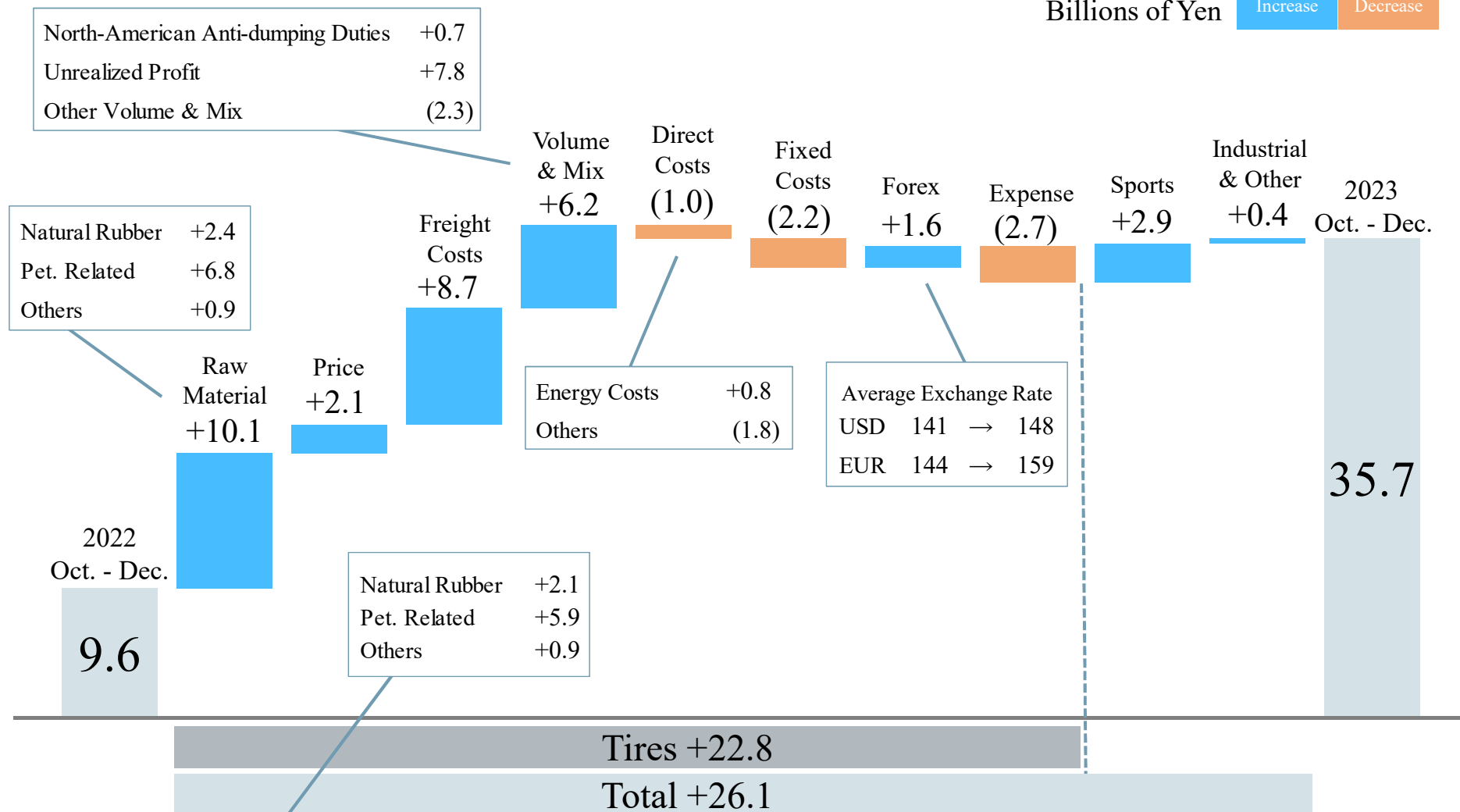


	2019	2020	2021	2022	2023
Consolidated Sales Revenue	893.3	790.8	936.0	1,098.7	1,177.4
% of Overseas	63%	64%	68%	71%	70%

*Sales Revenue on this page are based on customer's location.

Consolidated Business Profit Walk (2023 Oct.-Dec.)

Billions of Yen Increase Decrease



North-American Anti-dumping Duties	+0.7
Unrealized Profit	+7.8
Other Volume & Mix	(2.3)

Natural Rubber	+2.4
Pet. Related	+6.8
Others	+0.9

Volume & Mix	+6.2
Direct Costs	(1.0)
Fixed Costs	(2.2)
Forex	+1.6
Expense	(2.7)
Sports	+2.9
Industrial & Other	+0.4

Average Exchange Rate	
USD	141 → 148
EUR	144 → 159

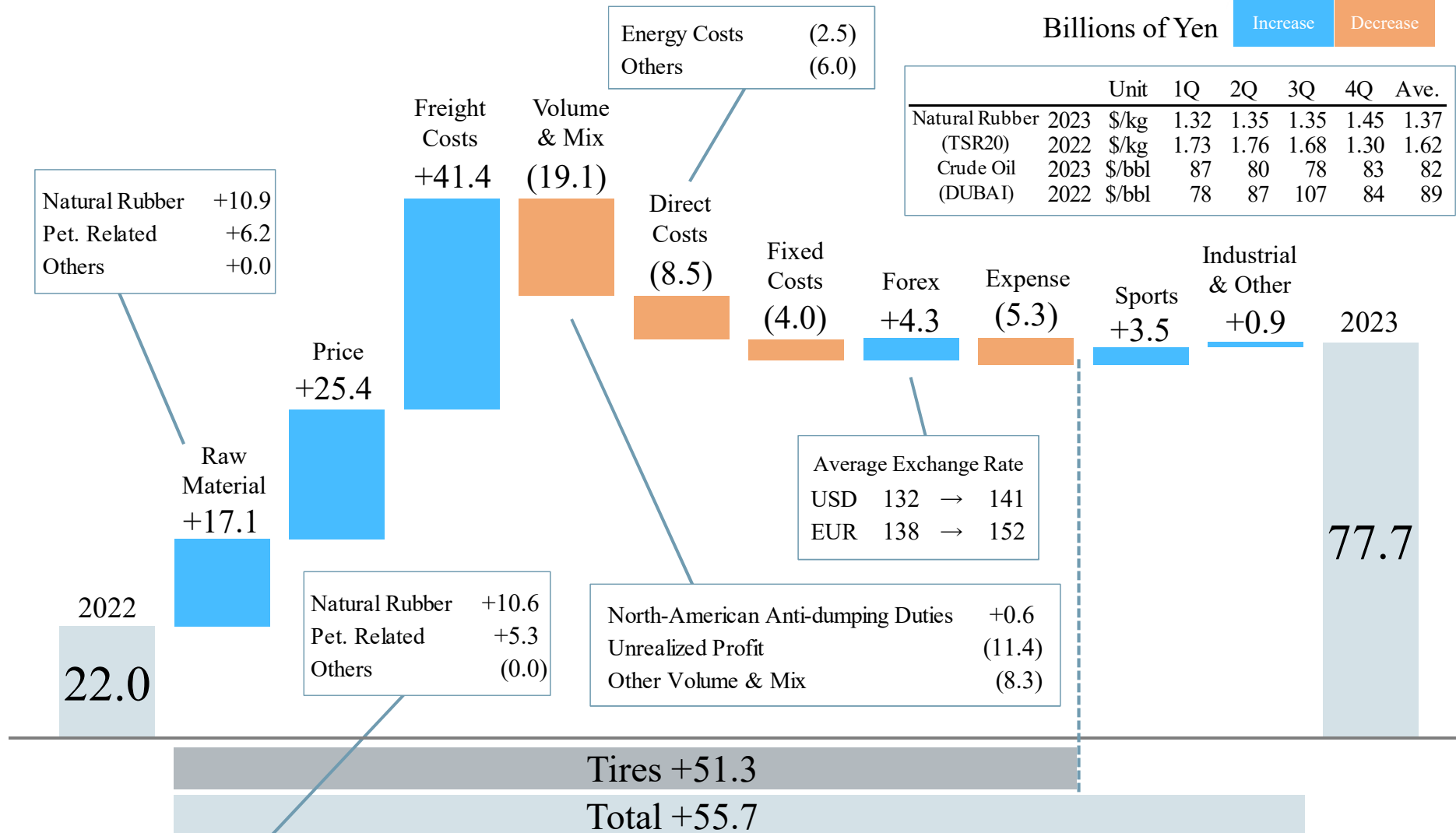
Natural Rubber	+2.1
Pet. Related	+5.9
Others	+0.9

	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
Nov. 10 th Forecast	+8.9	(3.5)	+8.2	(2.1)	(0.6)	(1.7)	+1.8	+0.1	+0.5	(0.2)	+11.4
2021Q4 → 2022Q4	(13.4)	+18.1	+2.7	(10.5)	(5.5)	+0.5	(1.6)	+0.6	(0.8)	(0.4)	(10.3)

Consolidated Business Profit Walk (2023 Jan.-Dec.)

Billions of Yen Increase Decrease

	Unit	1Q	2Q	3Q	4Q	Ave.
Natural Rubber (TSR20)	2023 \$/kg	1.32	1.35	1.35	1.45	1.37
	2022 \$/kg	1.73	1.76	1.68	1.30	1.62
Crude Oil (DUBAI)	2023 \$/bbl	87	80	78	83	82
	2022 \$/bbl	78	87	107	84	89



Natural Rubber	+10.9
Pet. Related	+6.2
Others	+0.0

Price	+25.4
Raw Material	+17.1

Natural Rubber	+10.6
Pet. Related	+5.3
Others	(0.0)

Energy Costs	(2.5)
Others	(6.0)

Direct Costs	(8.5)
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Fixed Costs	(4.0)
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Forex	+4.3
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Expense	(5.3)
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Sports	+3.5
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Industrial & Other	+0.9
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Average Exchange Rate	
USD	132 → 141
EUR	138 → 152

North-American Anti-dumping Duties	+0.6
Unrealized Profit	(11.4)
Other Volume & Mix	(8.3)

	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
Nov. 10 th Forecast	+15.9	+19.8	+40.9	(27.4)	(8.1)	(3.5)	+4.5	(2.5)	+1.1	+0.3	+41.0
2021 → 2022	(68.8)	+68.9	(21.2)	+13.7	(14.7)	(1.9)	(2.7)	(2.3)	+0.3	(1.3)	(30.0)

Consolidated Business Profit Analysis by Factors



Billions of Yen

Period	Business Profit		Factors										
		vs Previous year	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	
2022	Jan.-Mar.	14.8	(1.4)	(19.7)	+15.1	(11.2)	+17.0	(2.0)	(0.6)	+0.0	(1.2)	+1.5	(0.3)
	Apr.-Jun.	(0.6)	(14.5)	(17.7)	+16.9	(10.5)	+3.5	(3.4)	(0.8)	+0.1	(1.3)	(0.8)	(0.5)
	Jul.-Sep.	(1.8)	(3.8)	(18.0)	+18.8	(2.2)	+3.7	(3.8)	(1.0)	(1.2)	(0.4)	+0.4	(0.1)
	Oct.-Dec.	9.6	(10.3)	(13.4)	+18.1	+2.7	(10.5)	(5.5)	+0.5	(1.6)	+0.6	(0.8)	(0.4)
	Annual	22.0	(30.0)	(68.8)	+68.9	(21.2)	+13.7	(14.7)	(1.9)	(2.7)	(2.3)	+0.3	(1.3)
2023	Jan.-Mar.	8.0	(6.8)	(4.5)	+10.8	+10.5	(19.4)	(3.9)	(0.7)	(0.3)	(1.0)	+1.5	+0.2
	Apr.-Jun.	9.1	+9.7	+1.2	+8.1	+10.8	(6.7)	(2.6)	(0.0)	+0.6	(0.8)	(1.3)	+0.4
	Jul.-Sep.	24.9	+26.7	+10.3	+4.4	+11.4	+0.8	(1.0)	(1.1)	+2.4	(0.8)	+0.4	(0.1)
	Oct.-Dec.	35.7	+26.1	+10.1	+2.1	+8.7	+6.2	(1.0)	(2.2)	+1.6	(2.7)	+2.9	+0.4
	Annual	77.7	+55.7	+17.1	+25.4	+41.4	(19.1)	(8.5)	(4.0)	+4.3	(5.3)	+3.5	+0.9
vs Nov. 10 th Forecast		+14.7	+1.2	+5.6	+0.5	+8.3	(0.4)	(0.5)	(0.2)	(2.8)	+2.4	+0.6	

Consolidated Statement of Profit & Loss Statement



	2022 Jan.-Dec.	2023 Jan.-Dec.	Billions of Yen YOY	Main factor													
Sales revenue	1,098.7	1,177.4	+78.7	1 Business profit Refer to page.6 to 15 for details													
Cost of sales	(845.4)	(850.9)	(5.5)														
Selling, general and administrative expenses	(231.3)	(248.8)	(17.6)	2 Other income													
Business profit	22.0	77.7	+55.7		<table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th>YOY</th> </tr> </thead> <tbody> <tr> <td>Non-operating profit</td> <td>1.6 B of yen</td> <td>+0.0 B of yen</td> </tr> <tr> <td>Gain on sale of fixed assets</td> <td>0.4 B of yen</td> <td>+0.2 B of yen</td> </tr> <tr> <td>Government Subsidies</td> <td>0.1 B of yen</td> <td>(0.7) B of yen</td> </tr> </tbody> </table>		Actual	YOY	Non-operating profit	1.6 B of yen	+0.0 B of yen	Gain on sale of fixed assets	0.4 B of yen	+0.2 B of yen	Government Subsidies	0.1 B of yen	(0.7) B of yen
	Actual	YOY															
Non-operating profit	1.6 B of yen	+0.0 B of yen															
Gain on sale of fixed assets	0.4 B of yen	+0.2 B of yen															
Government Subsidies	0.1 B of yen	(0.7) B of yen															
Other income	3.1	2.6	(0.5)	3 Other expenses													
Other expenses	(10.1)	(15.8)	(5.7)		<table border="1"> <tbody> <tr> <td>Impairment loss</td> <td>(11.4) B of yen</td> <td>(7.3) B of yen</td> </tr> <tr> <td>Non-operating expenses</td> <td>(2.3) B of yen</td> <td>(0.1) B of yen</td> </tr> <tr> <td>Loss on retirement or sales of non-current assets</td> <td>(1.3) B of yen</td> <td>+0.7 B of yen</td> </tr> <tr> <td>Non-extraordinary expenses</td> <td>(0.8) B of yen</td> <td>+0.6 B of yen</td> </tr> </tbody> </table>	Impairment loss	(11.4) B of yen	(7.3) B of yen	Non-operating expenses	(2.3) B of yen	(0.1) B of yen	Loss on retirement or sales of non-current assets	(1.3) B of yen	+0.7 B of yen	Non-extraordinary expenses	(0.8) B of yen	+0.6 B of yen
Impairment loss	(11.4) B of yen	(7.3) B of yen															
Non-operating expenses	(2.3) B of yen	(0.1) B of yen															
Loss on retirement or sales of non-current assets	(1.3) B of yen	+0.7 B of yen															
Non-extraordinary expenses	(0.8) B of yen	+0.6 B of yen															
Operating profit	15.0	64.5	+49.5														
Financial income	11.5	11.9	+0.4	4 Financial income													
Financial expenses	(4.0)	(13.7)	(9.7)		<table border="1"> <tbody> <tr> <td>Gain on net monetary position</td> <td>8.4 B of yen</td> <td>+4.6 B of yen</td> </tr> <tr> <td>Interest received</td> <td>2.7 B of yen</td> <td>+0.6 B of yen</td> </tr> <tr> <td>Foreign exchange profit</td> <td>-</td> <td>(4.8) B of yen</td> </tr> </tbody> </table>	Gain on net monetary position	8.4 B of yen	+4.6 B of yen	Interest received	2.7 B of yen	+0.6 B of yen	Foreign exchange profit	-	(4.8) B of yen			
Gain on net monetary position	8.4 B of yen	+4.6 B of yen															
Interest received	2.7 B of yen	+0.6 B of yen															
Foreign exchange profit	-	(4.8) B of yen															
Equity in earnings of affiliates	0.1	0.0	(0.0)														
Profit before tax	22.5	62.7	+40.2	5 Financial expenses													
Income tax expenses	(10.1)	(24.2)	(14.2)		<table border="1"> <tbody> <tr> <td>Interest expenses</td> <td>(6.4) B of yen</td> <td>(2.8) B of yen</td> </tr> <tr> <td>Foreign exchange loss</td> <td>(5.0) B of yen</td> <td>(5.0) B of yen</td> </tr> <tr> <td>Loss on valuation of derivatives</td> <td>(2.3) B of yen</td> <td>(1.9) B of yen</td> </tr> </tbody> </table>	Interest expenses	(6.4) B of yen	(2.8) B of yen	Foreign exchange loss	(5.0) B of yen	(5.0) B of yen	Loss on valuation of derivatives	(2.3) B of yen	(1.9) B of yen			
Interest expenses	(6.4) B of yen	(2.8) B of yen															
Foreign exchange loss	(5.0) B of yen	(5.0) B of yen															
Loss on valuation of derivatives	(2.3) B of yen	(1.9) B of yen															
Non-controlling interests	(3.0)	(1.5)	+1.6														
Profit	9.4	37.0	+27.6														

Consolidated Statement of Financial Position



	As of Dec. 31, 2022	As of Dec. 31, 2023	YOY	Main factor
Current assets	623.9	624.7	① +0.8	① Current assets vs Dec. 31, 2022 Inventories (21.0) B of yen Cash and cash equivalents +16.4 B of yen Trade and other receivables +7.0 B of yen
Non-current assets	601.3	642.0	② +40.7	
Total assets	1,225.2	1,266.7	+41.5	
Current liabilities	352.9	331.1	(21.8)	
Non-current liabilities	308.4	294.2	(14.2)	② Non-current asset Tangible assets +15.3 B of yen Intangible assets(including goodwill) +14.6 B of yen Intangible assets(including goodwill) +7.7 B of yen
Total liabilities	661.3	625.3	③ (36.0)	③ Total liabilities Interest-bearing debt (61.8) B of yen (372.8 → 310.9) Income tax payable +9.5 B of yen Deferred tax liabilities +7.5 B of yen
Total equity attributable to owners of parent	546.2	624.1	④ +77.9	
Non-controlling interest	17.7	17.3	(0.3)	
Total equity	563.9	641.4	+77.6	④ Equity Profit +37.0 B of yen Foreign currency translation adjustment +33.4 B of yen Dividends paid (5.3) B of yen
Total liabilities and equity	1,225.2	1,266.7	+41.5	
Equity ratio	44.6%	49.3%	+4.7P	

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【Forecast】 Consolidated Financial Results (2024 Annual)



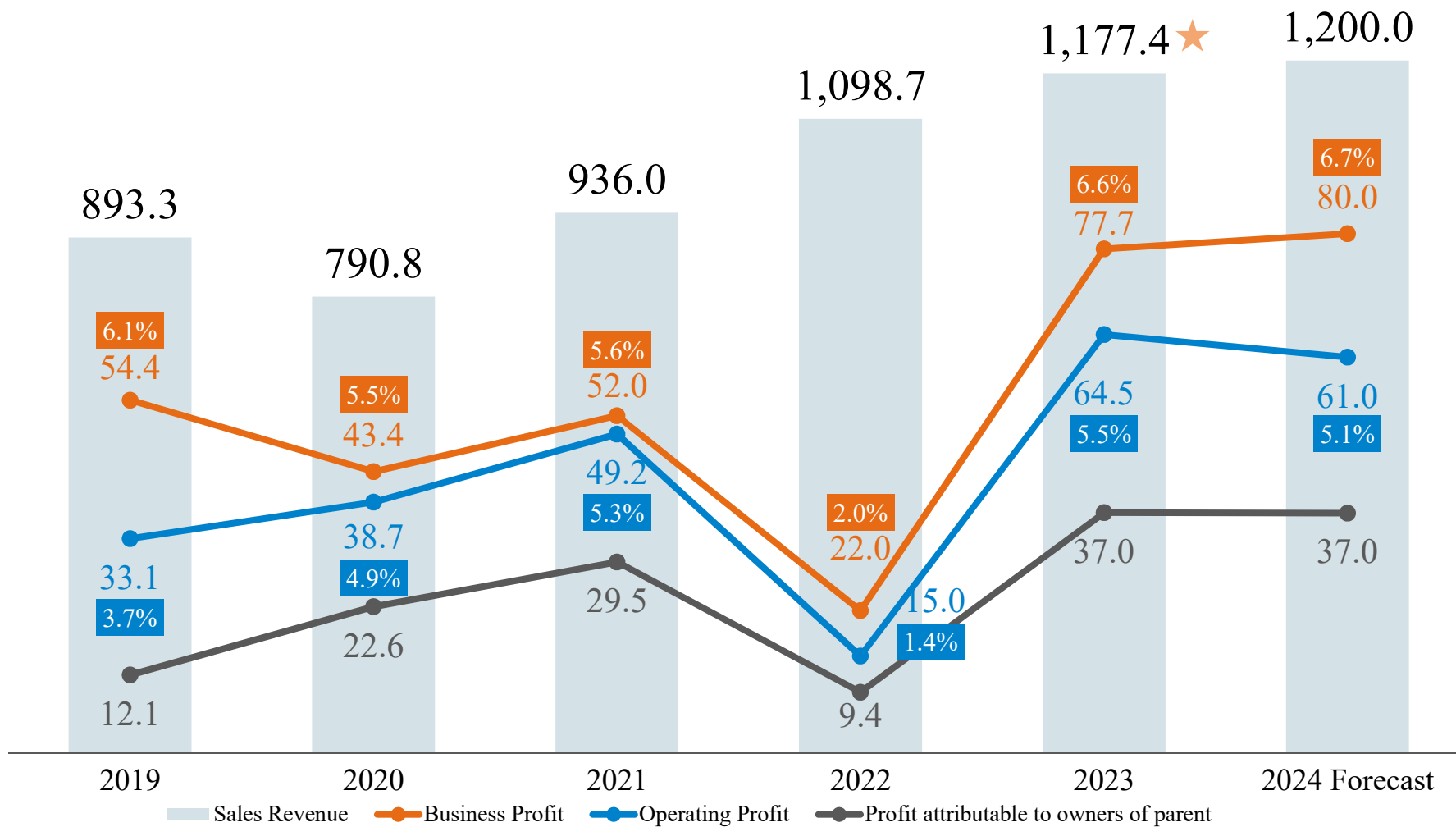
Billions of Yen

	Annual Forecast 2024	Actual 2023	YOY	First half Forecast 2024	vs 2023
Sales Revenue	1,200.0	1,177.4	102%	575.0	102%
Business Profit (%)	80.0 6.7%	77.7 6.6%	103%	34.5 6.0%	202%
Operating Profit (%)	61.0 5.1%	64.5 5.5%	95%	30.0 5.2%	178%
Profit	37.0	37.0	100%	23.5	287%
ROIC	5.7%	5.7%			
ROE	5.7%	6.3%			
ROA	6.2%	6.2%			
D/E Ratio	0.5	0.5			

【Forecast】 Consolidated Sales Revenue / Profit (Jan.-Dec.)



Billions of Yen % : Profit Ratio ★ : Record High



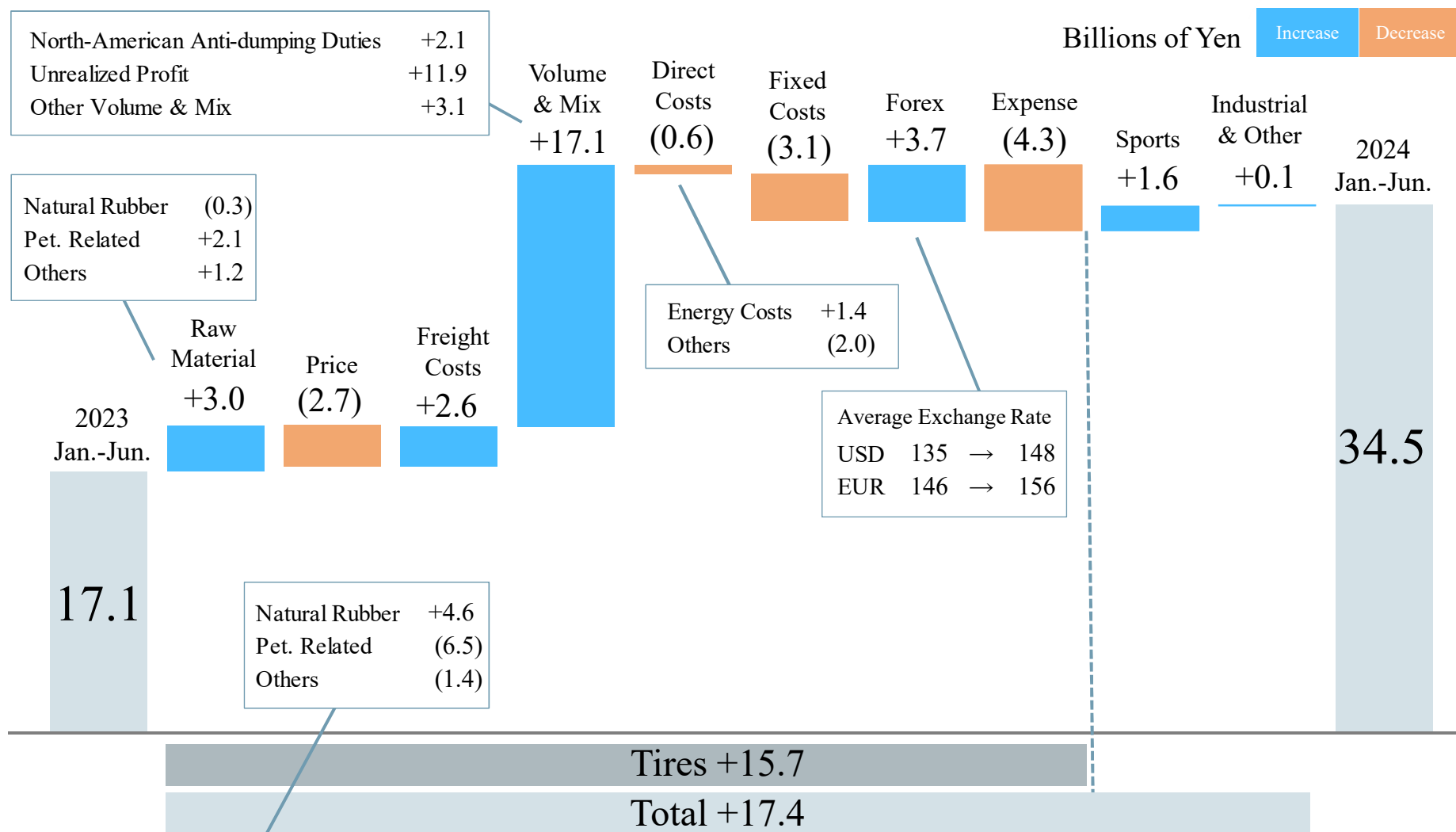
**【Forecast】 Consolidated Sales Revenue / Business Profit
by Reportable Segment (2024 Jan.-Dec.)**



Billions of Yen

		Annual Forecast 2024	Actual 2023	YOY	First half Forecast 2024	vs 2023
Sales Revenue	Tires	1,033.0	1,006.4	103%	483.5	103%
	Sports	131.5	126.6	104%	74.5	109%
	Industrial & Other	35.5	44.4	80%	17.0	78%
	Total	1,200.0	1,177.4	102%	575.0	102%
Business Profit	Tires	66.5	63.6	105%	25.5	261%
	Sports	11.0	12.5	88%	8.0	124%
	Industrial & Other	2.5	1.6	155%	1.0	113%
	Total	80.0	77.7	103%	34.5	202%

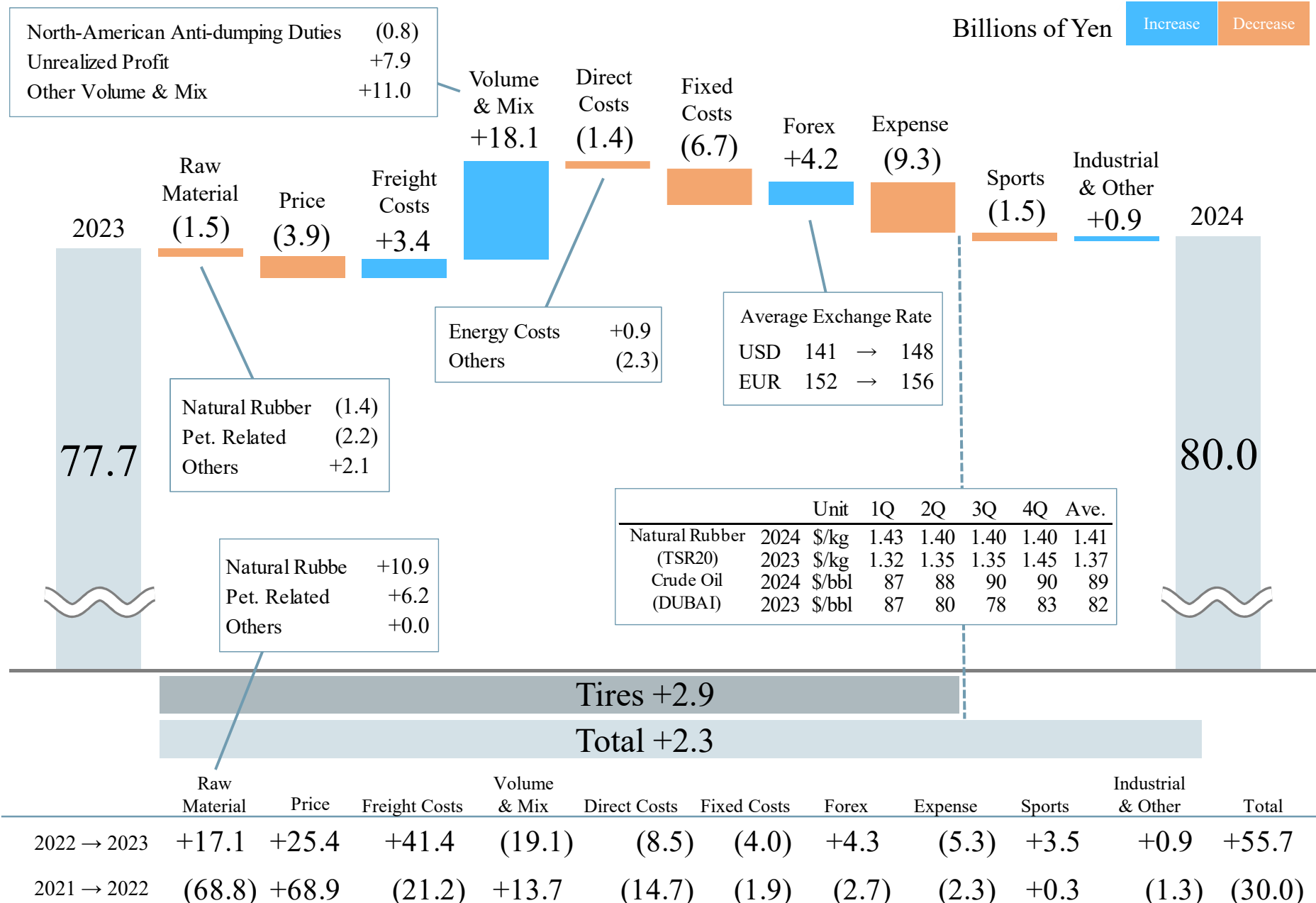
【Forecast】 Consolidated Business Profit Walk (2024 Jan.-Jun.)



	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
2022 → 2023	(3.3)	+18.9	+21.3	(26.1)	(6.5)	(0.7)	+0.3	(1.8)	+0.2	+0.6	+2.9
2021 → 2022	(37.4)	+32.0	(21.7)	+20.5	(5.4)	(1.4)	+0.1	(2.5)	+0.7	(0.8)	(15.9)

【Forecast】 Consolidated Business Profit Walk (2024 Jan.-Dec.)

Billions of Yen Increase Decrease



Tire Sales Volume (Comparison %)

vs Previous year	2022 Actual					2023 Actual					2024 Forecast			
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Annual	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Annual	Jan.-Jun.	Jul.-Dec.	Annual	
Domestic O.E.	81%	84%	122%	111%	98%	112%	121%	108%	108%	112%	99%	99%	99%	
Domestic Rep.	116%	93%	111%	92%	101%	98%	108%	89%	97%	98%	96%	109%	102%	
Overseas O.E.	106%	102%	136%	101%	110%	101%	108%	92%	101%	100%	100%	105%	102%	
Overseas Rep.	97%	93%	91%	81%	90%	87%	94%	97%	96%	93%	98%	109%	103%	
Details	North America	90%	91%	76%	72%	82%	81%	92%	109%	100%	95%	99%	103%	101%
	Europe	106%	98%	84%	92%	95%	90%	85%	100%	91%	92%	102%	104%	103%
	Asia	88%	86%	104%	73%	87%	91%	104%	89%	92%	94%	95%	118%	106%
	Others	105%	98%	103%	89%	99%	85%	93%	91%	102%	92%	98%	110%	104%
Total	99%	93%	104%	89%	96%	94%	101%	96%	99%	97%	98%	107%	102%	
Total Tire Sales (000 Units)	28,180	26,600	28,070	28,610	111,460	26,450	26,860	26,850	28,190	108,360	52,280	58,720	111,000	

Tire Volume by Category (Comparison %)



vs Previous Year	Actual 2022 Jan.-Dec.				Actual 2023 Jan.-Dec.				2024 Forecast			
	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio
Passenger Tires	105%	92%	96%	87%	105%	96%	98%	88%	100%	104%	103%	88%
Advanced Tires *1	105%	91%	96%	35% *2	117%	103%	108%	38% *2	109%	105%	107%	40% *2
Truck & Bus Tires	97%	96%	96%	4%	112%	83%	85%	4%	123%	110%	111%	4%
Motorcycle, Industrial & Other Tires	109%	98%	102%	9%	103%	85%	92%	9%	105%	91%	97%	8%
Total	105%	93%	96%	100%	105%	94%	97%	100%	101%	103%	102%	100%

< Advanced Tires Composition Ratio by Year > *2

		2022 Actual	2023 Actual	2024 Forecast
Advanced Tires *1	O.E.	44%	50%	54%
	Rep.	31%	33%	34%
	Total	35%	38%	40%

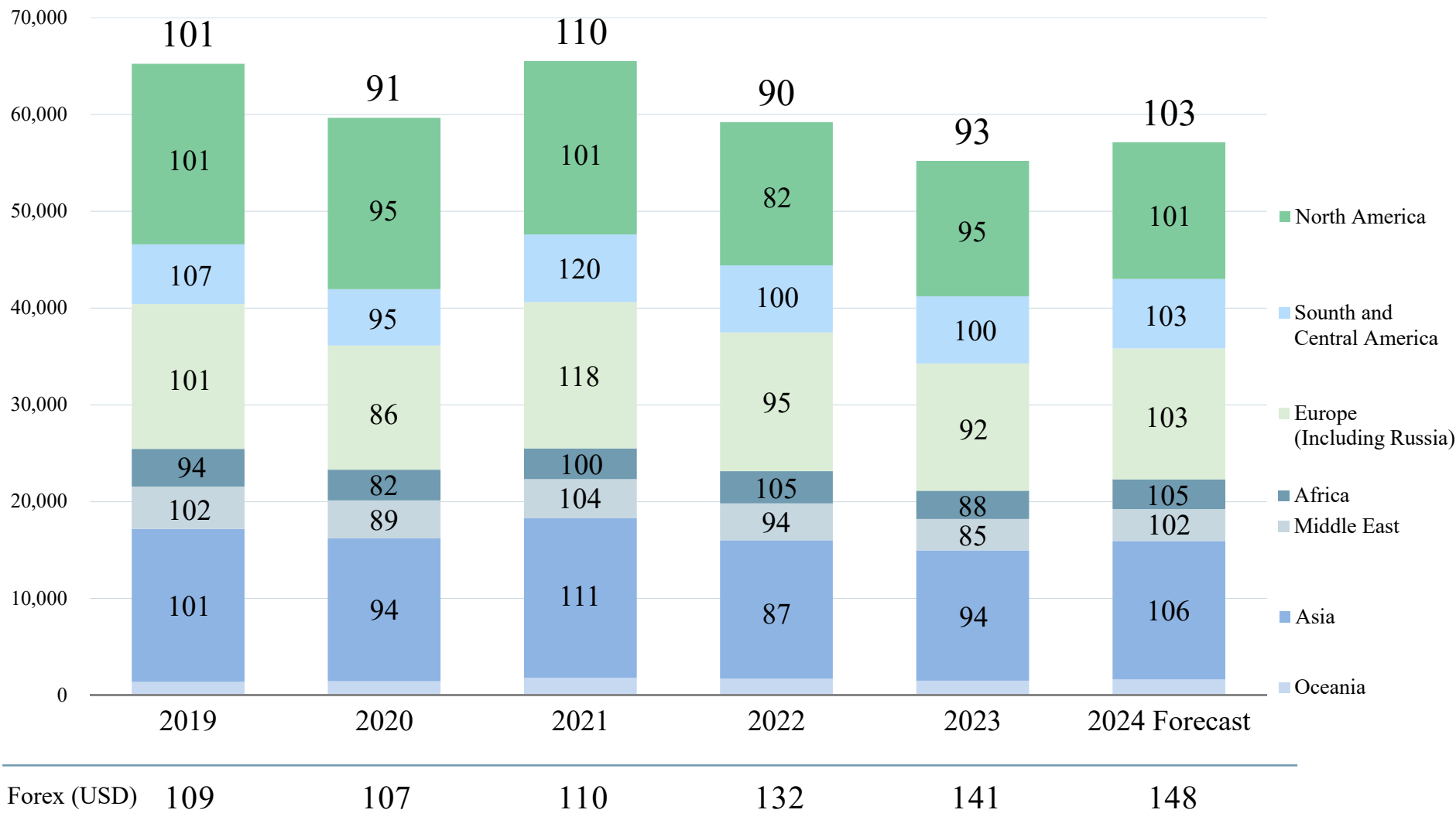
*1.Advanced Tires: Primarily for SUVs and Passenger car tires with a size of 18" or larger
*2.Composition Ratio to Passenger Tires

Tire Overseas Rep. Volume by Regional Segment



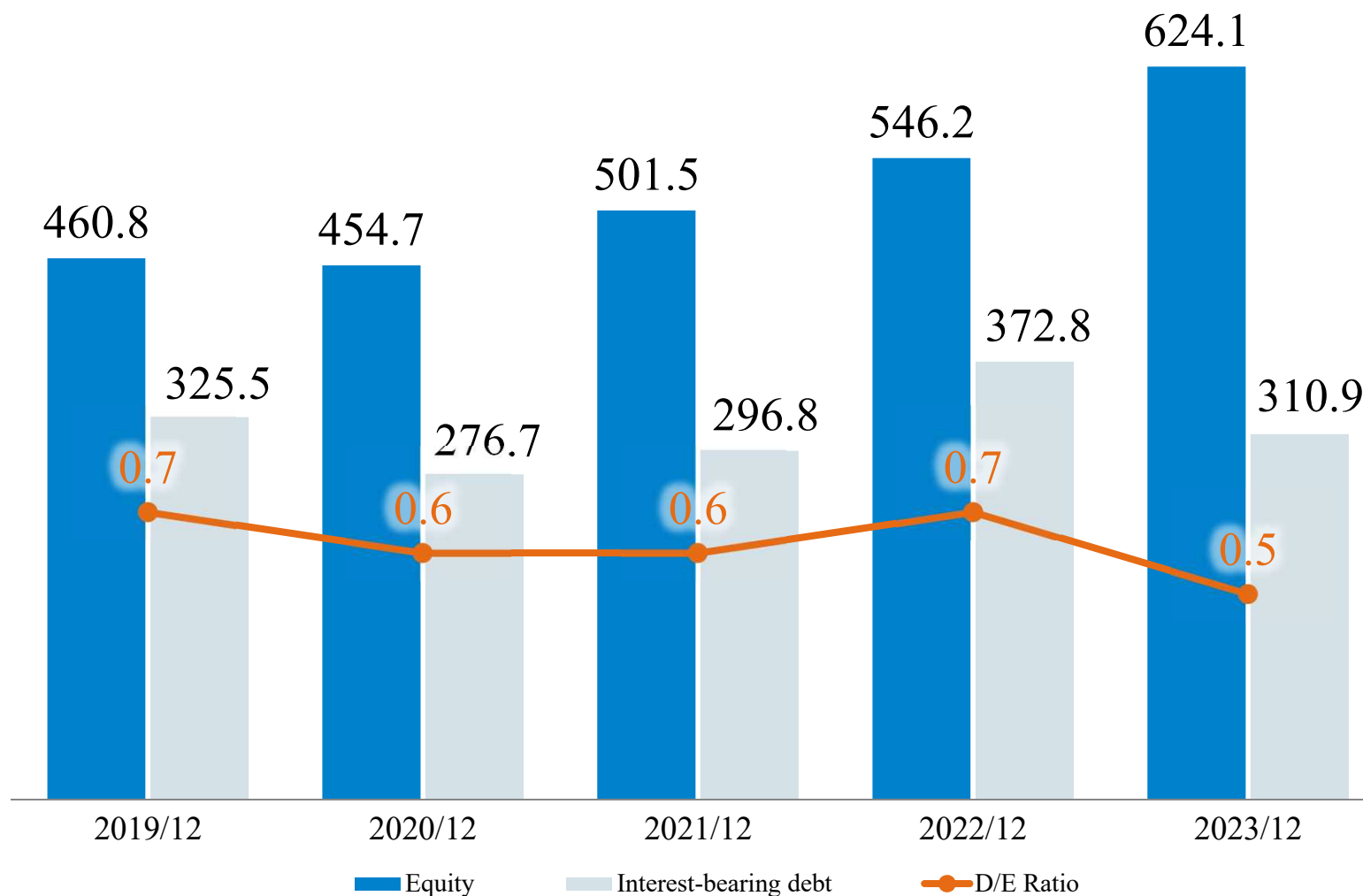
Unit : 000

*Numbers shown in the bar graph are yoy% by region.



Equity / Interest-Bearing Debt

Billions of Yen

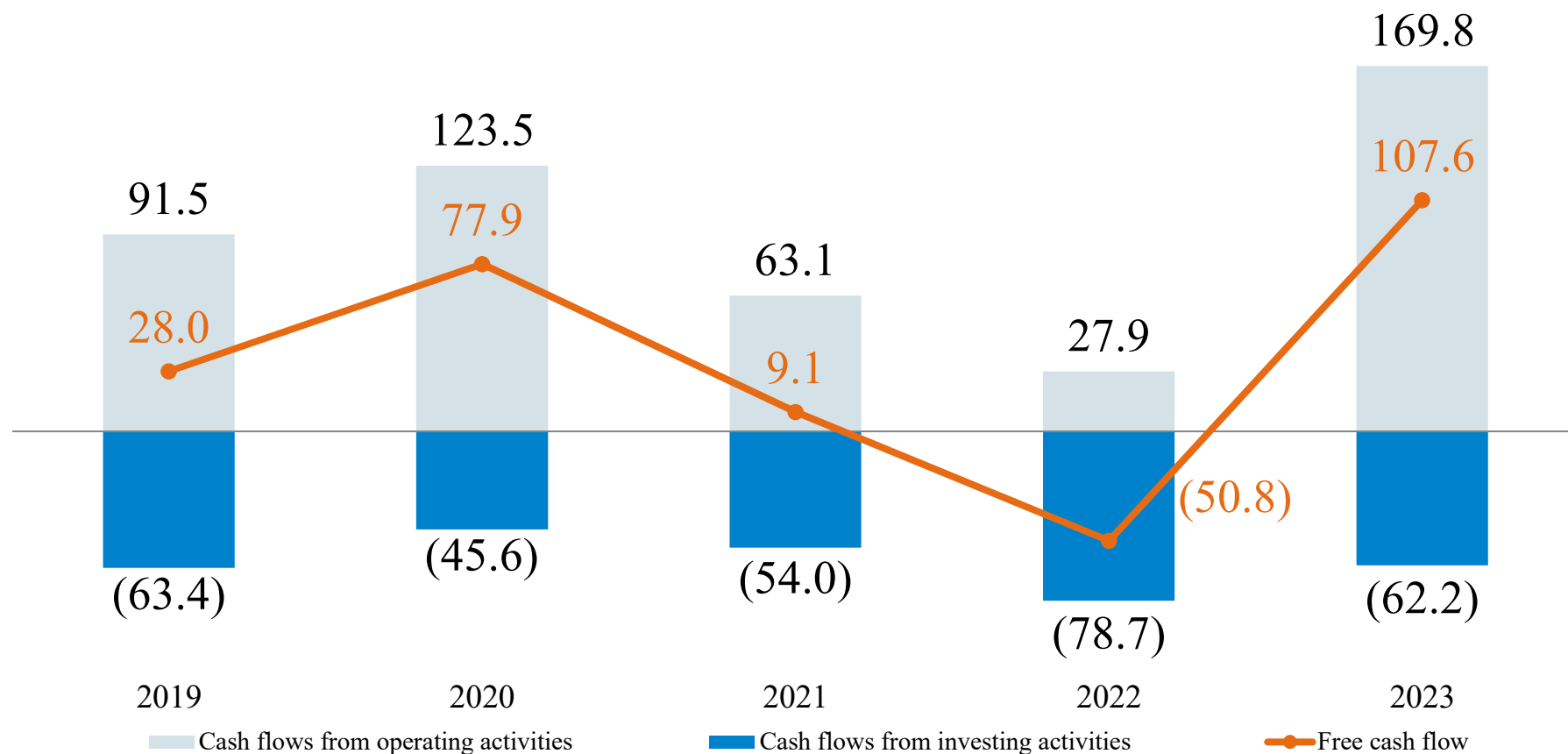


*IFRS 16 (Lease) impact has been included since 2019.

Equity Ratio	2019/12	2020/12	2021/12	2022/12	2023/12
	44.5%	46.6%	46.2%	44.6%	49.3%

Cash Flows (Jan.-Dec.)

Billions of Yen

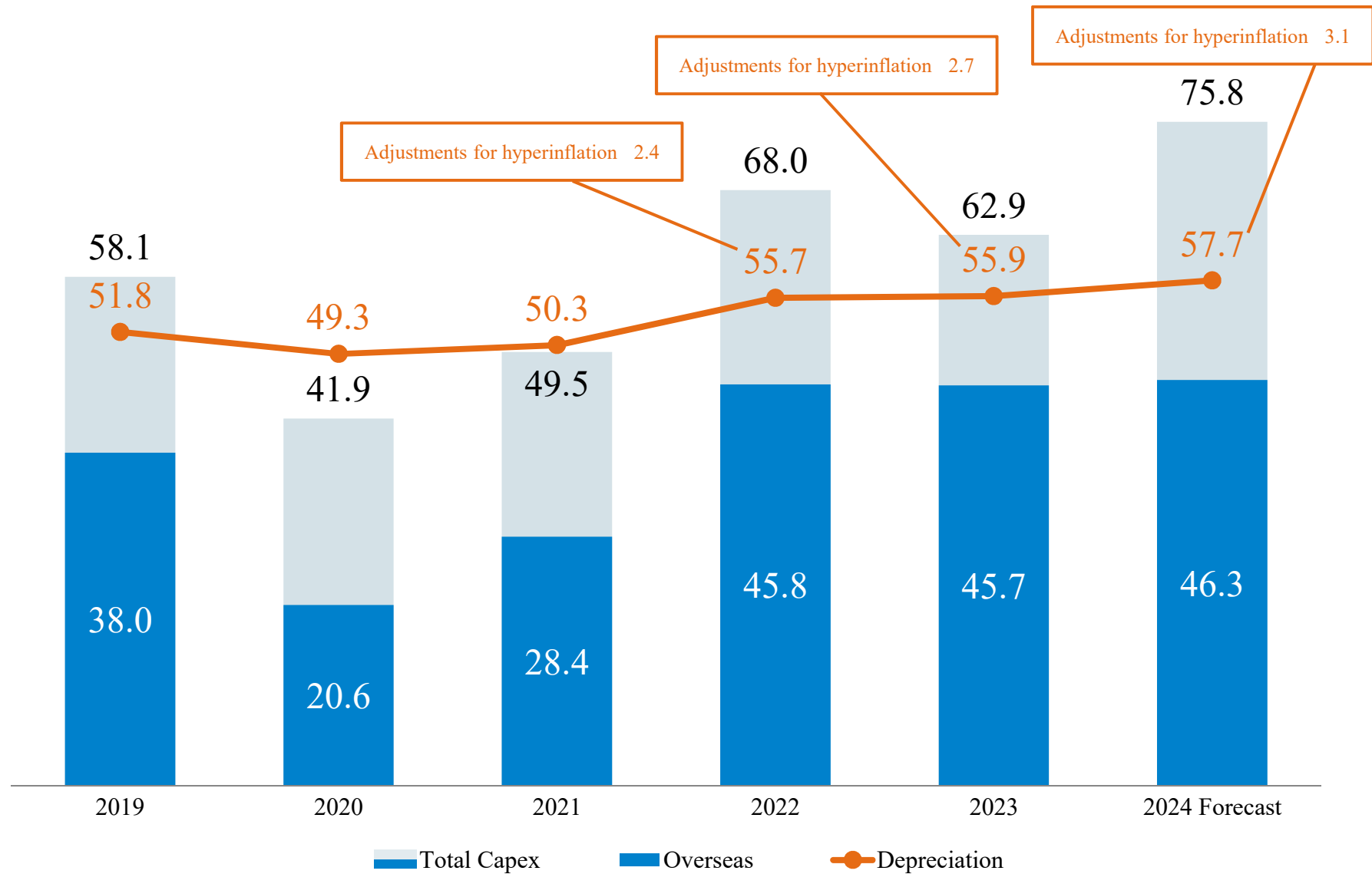


<CCC by Year>	2019	2020	2021	2022	2023
CCC *	134 days	146 days	128 days	130 days	134 days
Days Sales Outstanding	79 days	85 days	72 days	66 days	65 days
Days Inventory Outstanding	102 days	109 days	100 days	108 days	117 days
Days Payable Outstanding	47 days	48 days	44 days	45 days	47 days

*CCC: (Days Sales Outstanding) + (Days Inventory Outstanding) - (Days Payable Outstanding)

Capex and Depreciation (Tangible Assets Only)

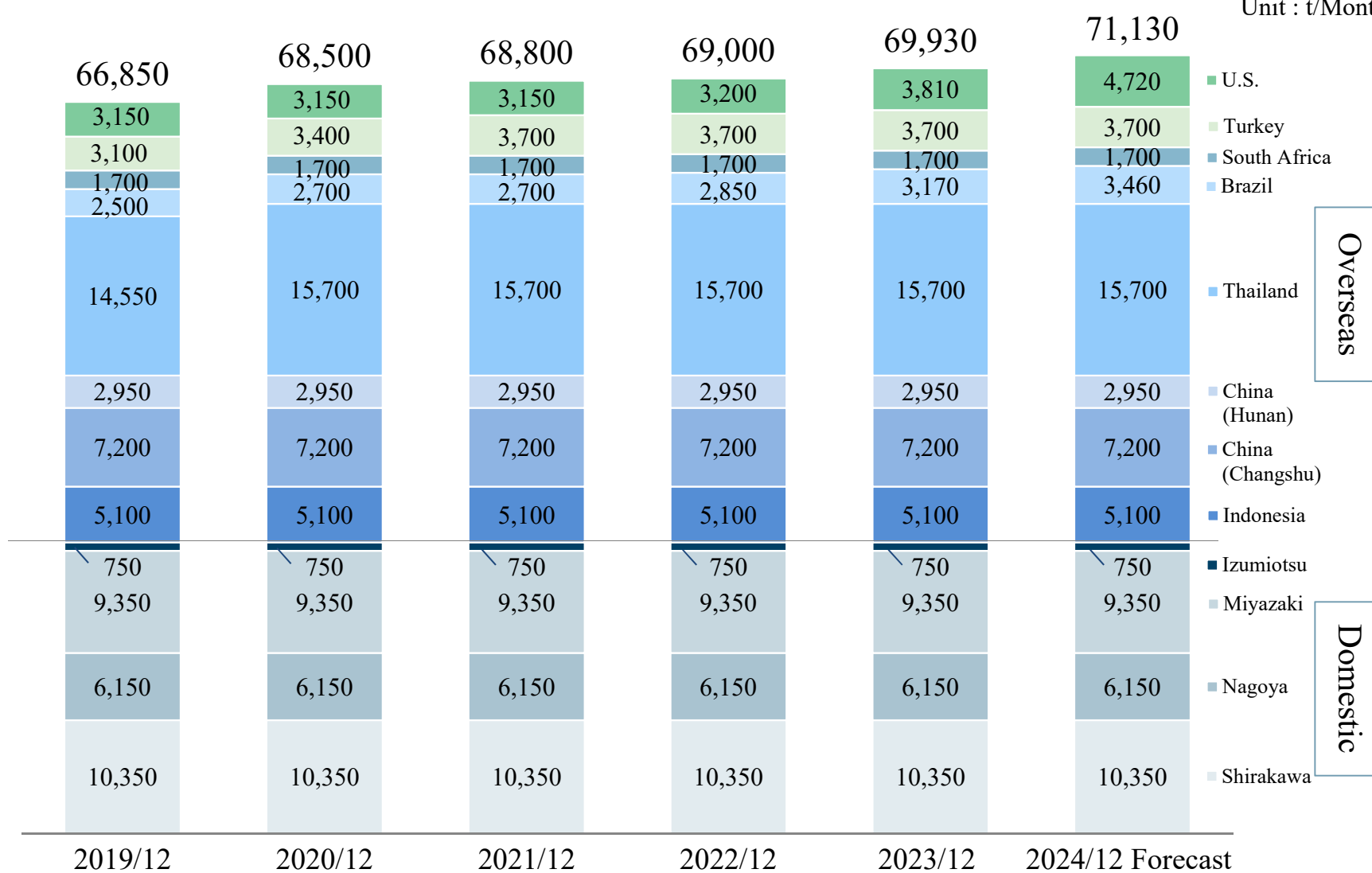
Billions of Yen



*IFRS 16 (Lease) impact has not been included since 2019.

Tire Production Capacity

Unit : t/Month

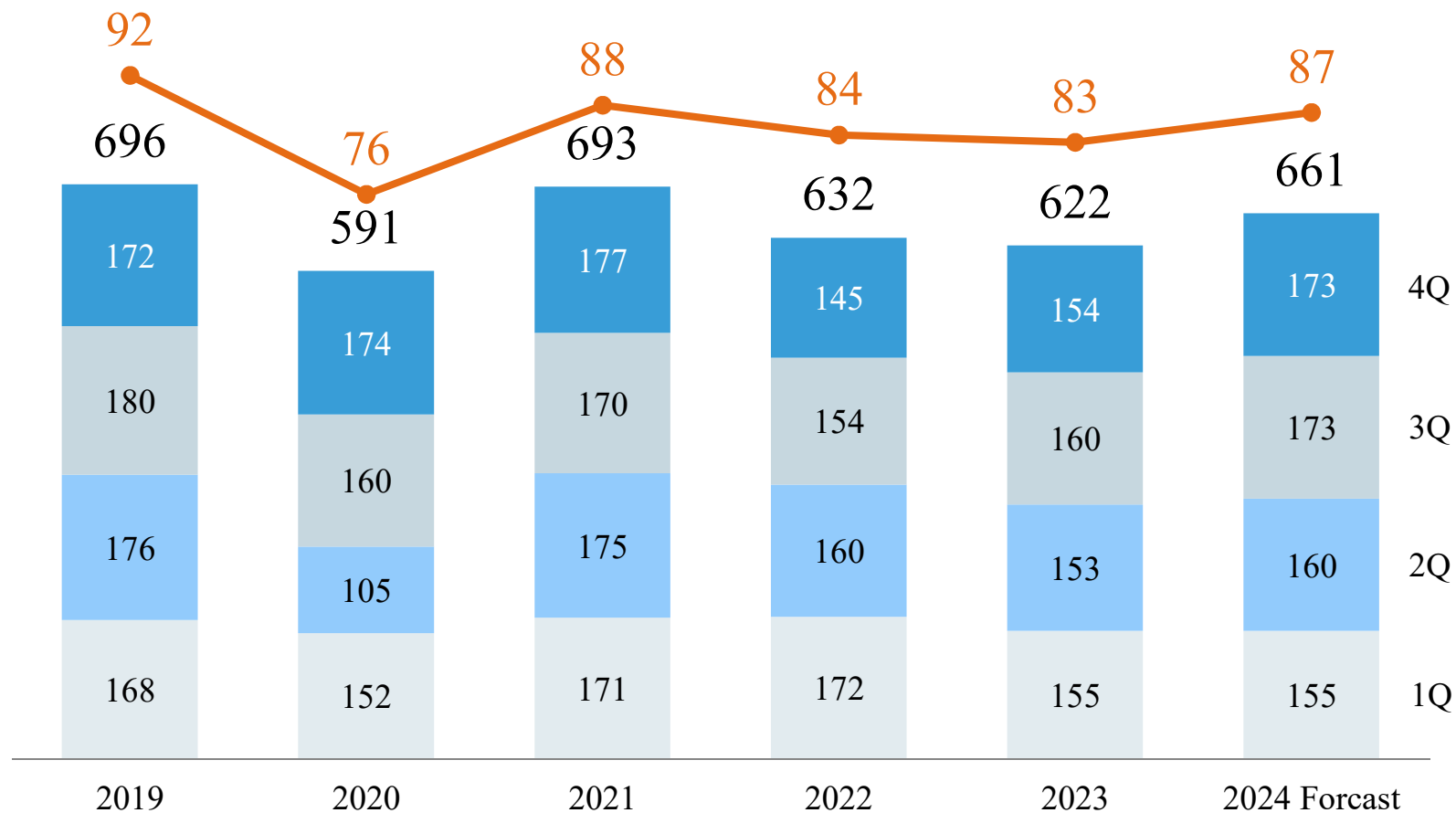


% of Overseas	60%	61%	61%	61%	62%	63%
YOY	103%	102%	100%	100%	101%	102%

Tire Production Volume and Operating Ratio



Unit : 000t



■ Total Production Volume
 —●— Operating Ratio (%)

% of Overseas	61%	63%	63%	63%	64%	64%
YOY	102%	85%	117%	91%	98%	106%

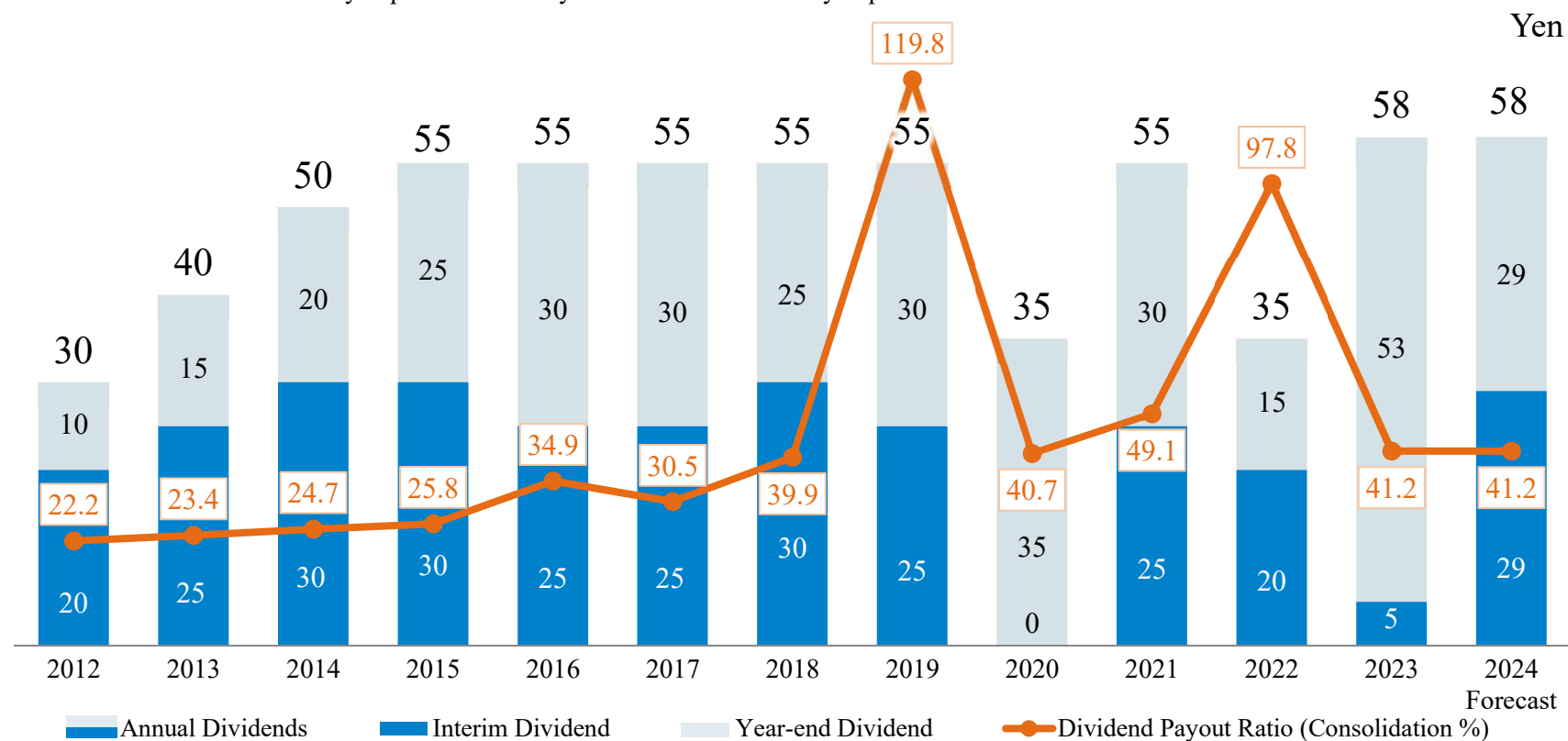
Shareholder Returns

We consider the return of gains to shareholders to be a matter deserving of the utmost priority. Accordingly, our basic policy is to ensure a long-term, stable stream of shareholder returns based on comprehensive consideration of dividend payout ratios, performance prospects, retained earnings levels and other such indicators on a consolidated basis.

Forecast of 2023 Annual Dividends and 2024 Annual Dividends:

Based on consolidated financial results of 2023, we intend to pay a year-end dividend of 53 yen per share. Combined with an interim dividend of 5 yen per share, which has already been paid, the annual dividend for fiscal 2023 will be 58 yen per share.

Regarding forecast of 2024 annual dividends, we currently plan to pay an annual dividend of 58 yen per share, consisting of an interim dividend of 29 yen per share and a year-end dividend of 29 yen per share.



	2019	2020	2021	2022	2023
Total Shareholder Return	107.1%	75.2%	101.3%	102.5%	136.2%
Dividend Yield *	4.1%	3.9%	4.7%	3.0%	3.8%

*Dividend Yield = Annual Dividends per share / End of each financial year's closing price

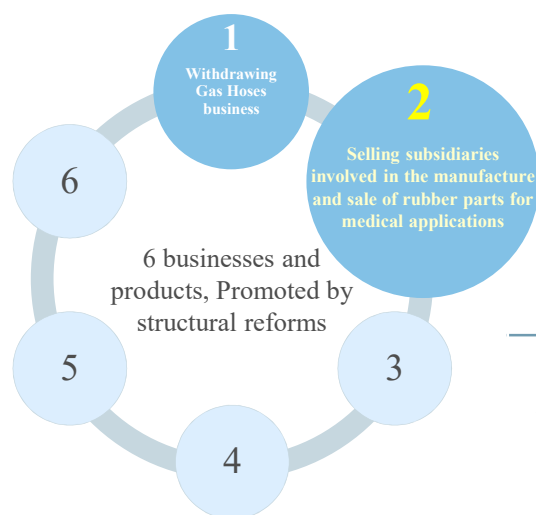
Having sold subsidiaries involved in the manufacture and sale of rubber parts for medical applications

Announced on Feb. 1, 2024

- Having Transferred of all shares of Lonstroff AG manufacture and sale of Rubber Parts for Medical Applications.
- It would be difficult to improve, in a short term, profitability that declined due to a delayed improvement in productivity under the influence of COVID-19 as well as a surge in raw material costs that followed.
- The Company included a restructuring cost of 11.6 billion yen in the other expenses in the consolidated financial results for the fiscal year ended December 31, 2023.

<Review of the mid-term plan>

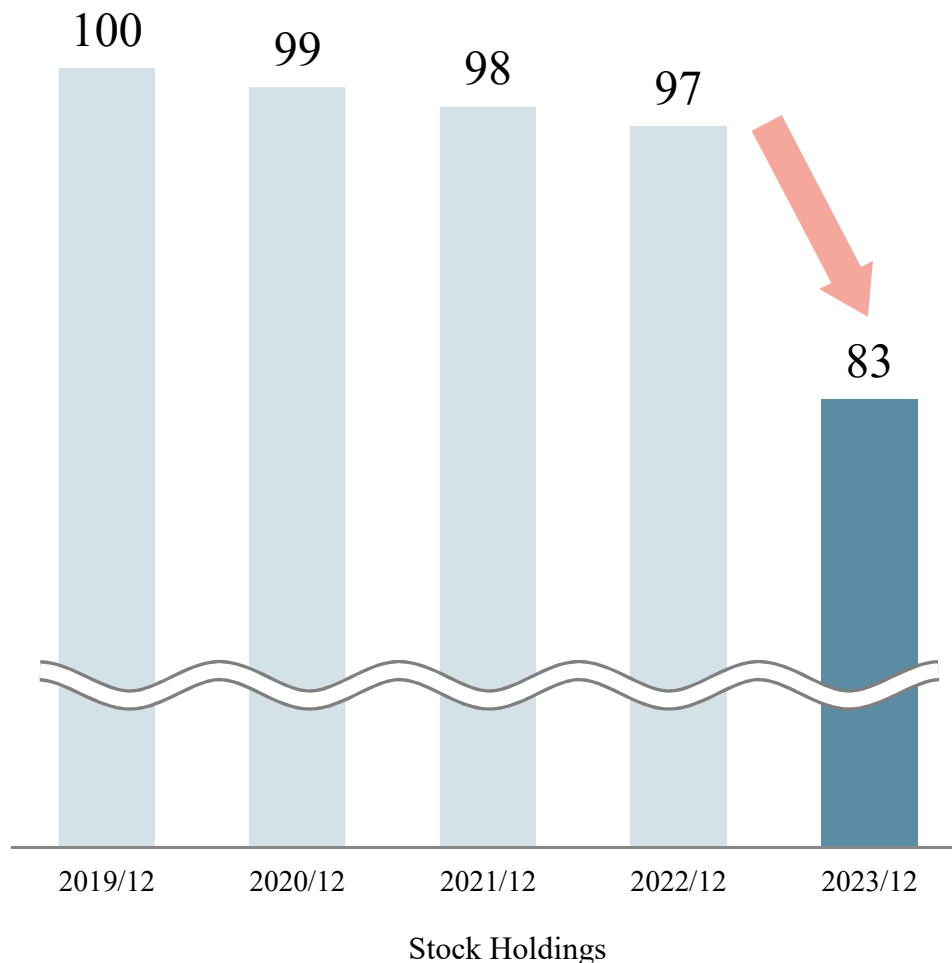
- In the mid-term plan, positioning the period of **“Selection & Concentration of Existing Businesses”** until 2025.
- 6 businesses and products have been promoted by structural reforms, and the other businesses have also been considered future directions.
- Expected to improve ROIC up to **+2.5p**



	ROIC Improvement (maximum)	Target on invested capital	Effect on business profit improvement	Goal
6 business and products	+2.0P	140.0 B of yen	+20.0 B of yen	2023 to 2024
Other	+0.5P	40.0 B of yen	+3.0 B of yen	2024 to 2025
Total	+2.5P	180.0 B of yen	+23.0 B of yen	

(Based on Actual 2022)

Promoting to reduce Cross Shareholdings, To realize of management that is conscious of the Cost of Capital



Actual 2023

- ▶ Number of stocks for sale
14 stocks
- ▶ Raising amount of Cash
6.8 B of yen
- ▶ Sales of investment securities
5.3 B of yen
Non-consolidated financial statement only*
- ▶ Equity ratio
2022 1.7% ⇒ 2023 **1.5%**
2022/12 book value 20.5 B of yen ⇒ 2023/12 book value 18.8 B of yen

*Consolidated financial statement was not affected on profit due to adopt IFRS.

Exhibiting SENSING CORE booth at “CES 2024” & Announcement of Investment in Viaduct Inc.(“Viaduct”)



Booth

Exhibited at “CES 2024” one of the world’s largest high-technology trade shows
We have confidence in **expansion of opportunity**

Strengthening strategic partnership with Viaduct, a US-based AI-powered connected vehicle analytics company.
Accelerating the deployment of **failure prediction solution services** for the total vehicle



The photo of announcement of partnership with Viaduct



Our first replacement tire for EV launched for the Chinese market, where EV adoption is growing rapidly.

e.SPORT MAXX



Flagship tire for premium vehicles that achieve handling performance and grip at high levels.

*It will be launched in June.

SPORT MAXX RS



Replacement tire for EV with our highest level of energy efficiency for the European market.

e.ZIEX



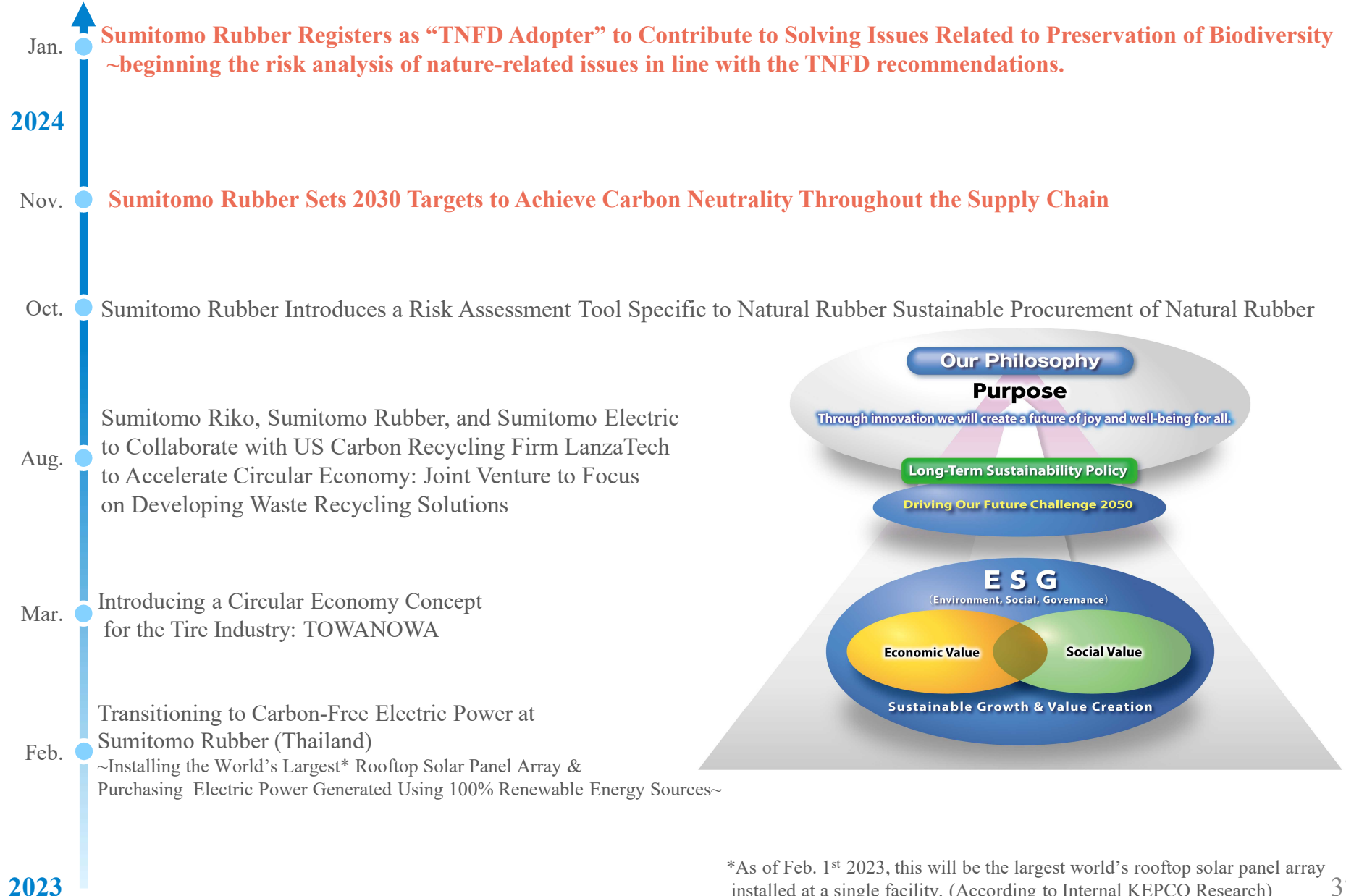
13th Generation of Our XXIO Golf Clubs, Consistently Ranked Among the Top Golf Brands in Japan.

XXIO 13



Recent Activities

For further information, please refer to the news release on our website. (<https://www.srigroup.co.jp/english/newsrelease/2024/index.html>)



*As of Feb. 1st 2023, this will be the largest world’s rooftop solar panel array installed at a single facility. (According to Internal KEPSCO Research)

END

SUMITOMO RUBBER GROUP